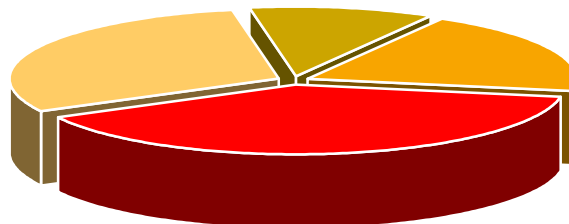


# AVAILABLE RESOURCES

The Annual Action Plan emphasizes the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, particularly for low and very low-income persons. The Annual Action Plan describes the proposed use of 2004/2005 Community Development Block Grant Funds (CDBG), Home Investment Partnership Funds (HOME), Emergency Shelter Grant (ESG), and other leveraged resources in addressing affordable housing and community development needs and strategies for addressing those needs during the period of July 1, 2004 to June 30, 2005.

<b>Community Development Block Grant Program</b>	<b>\$</b>	<b>8,407,500</b>
Entitlement		6,249,000
Program Income		850,500
Fund Balance		TBD
Revolving Loan Fund (Rehab Payments)		1,308,000
<b>Emergency Shelter Grant Program</b>	<b>\$</b>	<b>235,974</b>
<b>HOME Investment Partnership Program</b>	<b>\$</b>	<b>1,985,508</b>
Program Income		200,000
<b>Sub total (HOME)</b>		<b>2,185,508</b>
<b>American Dream Down payment Initiative FY2003</b>		109,189
<b>American Dream Down payment Initiative FY2004</b>		128,846
<b>Sub total (ADDI)</b>		<b>238,035</b>
<b>Total New Resources</b>	<b>\$</b>	<b>11,067,017</b>

## FEDERAL RESOURCES:



<span style="color: orange;">■</span> Community Development Block Grant	<span style="color: red;">■</span> HOME
<span style="color: yellow;">■</span> Emergency Shelter Grant	<span style="color: green;">■</span> American Dream Down Payment Initiative (New)

## **Other Federal Funds**

The City, through its various departments and the Norfolk Redevelopment and Housing Authority, continues to leverage other federal funds in its efforts to improve communities and providing housing, social and economic opportunities to low to moderate income families. Hope VI funds for revitalization and demolition are anticipated to total \$21,946,371. The City was able to access public housing operating subsidies and capital improvement funds in the amounts of **\$15,767,299** and **\$8,833,806** respectively. As part of its ongoing affordable housing programming, the City receives an annual HUD contribution for Section 8 tenant based assistance in the amount of **\$12,885,588 for FY 2005**.

## **Other Non-Federal Funds**

Many of the activities proposed are part of multi-year, multi-million dollar projects. Federal, State, and local funds are structured to work in tandem to enable quicker realization of community development goals. These funds would be used for property acquisition to create sites that would subsequently be used for the construction of compatible infill affordable housing; the installation of needed public improvements in support of neighborhood revitalization; or commercial/industrial development that would support job creation for low and moderate income persons. When capital funds are used, CDBG funds would be used for the relocation of affected occupants if other federal money has been used in the area. Areas where capital dollars are proposed to be utilized are East Ocean View, West Ocean View, Cottage Line, Bayview, Berkley III, Berkley IV, Lamberts Point, Central Brambleton, South Brambleton, Park Place, and the Marshall Manor site.

The capital funds used in the neighborhoods have been pledged as match for the HOME program since the inception of the match requirement. In addition, each of the CHDO's receiving funds will contribute match. The City incurs a match liability at a rate of 12.5%. The emergency shelter providers to meet their match requirements of the Emergency Shelter Grant will also provide match funding.

## **FY2005 Geographic Description**

The activities are primarily occurring in older areas of the city that are in need of revitalization. These areas are characterized by an older housing stock in need of renovation or replacement, or underutilized or vacant commercial and industrial uses. In most of the census tracts affected, 51% or more of the households have low and moderate incomes. The neighborhoods where most activities are planned are Berkley III, Berkley IV, Ballentine Place, Lamberts Point, Park Place, West Ocean View, an Expansion of West Ocean View to include the Southside of Government to Maple Avenue (an area within census tract 5) Cottage Line, Central Brambleton, South Brambleton, Ballentine, Huntersville II, North Huntersville, Bayview, Campostella Heights, Cottage Line, Campostella Chesterfield Heights, Willoughby, East Ocean View, Oakmont, and Mid Town projects. Support is also provided for the Fairmont Park/Lafayette Blvd area and Broad Creek Renaissance,

which includes (Haynes Tract, Douglas Park,) and the Hope VI project (see Conservation & Rehabilitation Map).

### **FY 2005 Activities Description**

One function of the Annual Action Plan is to allocate the new federal resources that have been made available to the City. **(Table I)** is a summary listing of all recommended projects by funding source, providing an overview of the proposed program. Table II identifies the activities proposed to help the City meet the goals and objectives of the Consolidated Plan. In an effort to meet fair housing responsibilities, the City of Norfolk, through the Hampton Roads Community Housing Resources Board participated in a study entitled, "An Assessment of Impediments to Fair Housing" for the entire Hampton Roads region. Mullin and Longeran Associates, Inc. of Pennsylvania prepared the analysis and provided a draft document to be reviewed by each locality and formally adopted. Staff will continue to review the City's activities to ensure they are consistent with program requirements. The City of Norfolk's analysis is presented in its entirety in the Other Actions section of this report.

### **HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES**

As an entitlement community for the receipt of Stewart B. McKinney Emergency Shelter Grant Program funding, Norfolk provides support to community nonprofit organizations providing services to the homeless. This year's funding is recommended for two shelters serving families, one shelter serving battered women and their children, and a day shelter. Support is also recommended for a homeless prevention program to prevent families and individuals from becoming homeless and another program that helps the homeless move from shelter to housing in the community. Emergency Shelter Grant funding is supported by \$379,719 in local funds that directly assist shelters in providing emergency shelter and services to homeless families.

### **PROGRAM SPECIFIC REQUIREMENTS**

#### **Community Development Block Grant (CDBG)**

Community Development Block Grant (CDBG) funds are received from the U.S. Department of Housing and Urban Development (HUD) on an annual basis to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low-and moderate-income persons.

#### **HOME Investment Partnership**

The HOME program is authorized under Title II of the National Affordable Housing Act for the purposes of 1) expanding the supply of affordable housing for low and very low-income families with an emphasis on rental housing; 2) building state and local nonprofit capacity to carry out affordable housing programs; and 3) providing

coordinated assistance to participants in the development of affordable low-income housing.

**Emergency Shelter Grant** ESG funds can be used for the rehabilitation or conversion of buildings into homeless shelters. This program also may fund certain related social services, operating expenses, homeless prevention activities, and administrative costs. HUD allocates ESG funds annually based on the formula used for the Community Development Block Grant (CDBG).

**Housing Opportunities for Persons with AIDS (HOPWA)** HOPWA is an entitlement program targeted to low-income individuals with AIDS or related diseases and their families. HOPWA funds may be used to support a wide range of services and housing activities. Supportive services must be provided as part of any housing funded by HOPWA.

### **American Dream down Payment Initiative (ADDI)**

The American Dream Down payment Act, approved December 16, 2003, has established a separate formula under the HOME Program by which HUD allocates funds to states that are participating jurisdictions under the HOME Program. Participating jurisdictions within those states such as the City of Norfolk will also be allowed to provide down payment assistance to low-income families who are first-time homebuyers for the purchase of single family housing that will serve as the family's principal residence. With respect to allocation of funds, the American Dream Down payment Initiative (ADDI) statute establishes a formula that is based primarily on the need for assistance to homebuyers. Through the statutory requirement that participating jurisdictions have a plan for conducting targeted outreach to public housing tenants and to families receiving rental assistance from public housing agencies, the ADDI statute envisions that among the low-income families who will move from rental to homeownership, are those who are currently public housing residents or receiving rental assistance. ADDI provides a much-needed resource to participating jurisdictions to assist low income families achieve the dream of homeownership.

ADDI funds may be used for eligible project costs, including: (1) The costs of acquiring single family housing; (2) the eligible development hard costs for rehabilitation projects described in HOME Program regulations; (3) the costs for reduction of lead paint hazards and the remediation of other home health hazards; and (4) specified related "soft costs" (i.e., reasonable and necessary costs incurred by the homebuyer or participating jurisdiction associated with the financing of single family housing). ADDI funds may not be used for any costs related to new construction of housing or rental assistance.

ADDI provides low-income families homeownership assistance to enable them to achieve the personal and financial benefits of homeownership. A participating jurisdiction may invest ADDI funds as interest-bearing loans or advances, non-interest bearing loans or advances, interest subsidies consistent with the purposes of the ADDI, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the ADDI. Each participating jurisdiction has the

right to establish the terms of assistance, subject to the requirements of the ADDI regulations. It is expected that the ADDI funds will not result in a diminution of private sector efforts to increase homeownership.

## **ADDI Targeted Outreach**

Targeted outreach to residents and tenants of public and manufactured housing and to other families assisted by public housing for the purposes of ensuring that ADDI funds are used to provide down payment assistance for such residents as such the City of Norfolk, has included the FY2005 plan a goal as follows:

ADDI funds will be utilized by NRHA to provide down payment assistance to low income families who are first-time homebuyers for the purchase of single family housing. The program will target buyers earning between 50-80% of the area median income (AMI). NHRA goal is to maximize the number of units occupied by previous residents of Bowling Green and Roberts Village.

NRHA will establish an outreach, marketing and counseling program to encourage and support homeownership opportunities for residents and tenants of public and manufactured housing. NRHA has established an occupancy priority group as follows:

1. Bowling Green and Roberts Village residents, displaced by HOPE VI project, who meet eligibility requirements and were temporarily relocated, either to other NRHA public housing units or utilized a Section 8 voucher
2. Current NRHA public housing households who meet threshold requirements and are on a project waiting list,
3. Section 8 residents who meet threshold requirements and on a project waiting list.

Approximately 835 households from the public housing system are eligible to participate in the program.

## **ADDI Action Plan**

A description of the plan which will be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership are is as follow:

NRHA mandates homeownership candidates' participation in the NRHA Homeownership Center program, which calls on a partnership of residents, business and financial communities, for profit and non-profit builders, credit and budget counselors, and several local, state and federal housing agencies.

Members complete the Virginia Housing Development Authority's Homebuyers Training. Furthermore, the Homeownership Center's Homebuyer Club is a voluntary support group of residents interested in homeownership. Before

executing a sales agreement for any public housing replacement units, a prospective buyer must complete the homebuyer training program and be pre-qualified for a mortgage loan from a local mortgage lender.

NRHA'S Homeownership Center will pre-qualify borrowers for mortgages, as well as determine subsidy amounts. All households purchasing homes must meet the following requirements:

- Income at or below 80%AMI
- History of Stable employment
- Compliance with terms of either current public housing, Section 8 or private market lease, if applicable
- Satisfy mortgage market credit underwriting standards.
- Qualify for the maximum mortgage amount based on income from all adult household members
- Complete the homebuyer counseling classes (prior to purchase of home)
- Down payment requirement: the applicant must demonstrate ability to pay applicable closing cost (above those covered by homebuyer subsidy) and a down payment in the amount of 1% of the sale price of the home.

This program is currently managed by the HomeNet component of NRHA.

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Homes for sale	234
Market Rate	143 (no assistance)
New construction	91 (Assisted units)
Existing home sales	112

Homes for sale	293
Market Rate	108 (no assistance)
New construction	73
Existing home sales	112

**This amount includes:**

\$ 460,500	From NRHA (directly)
\$ 66,051	From Public Line Ministries CHDO
\$ 238,035	From American Dream Initiative (ADDI)
\$ 200,000	From program Income

- On-Site: 10                      Off-Site: 11

- On-Site: None                      Off-Site: 24